



# MEMORANDUM

To: Members of the House Committee on Tax Policy



From: Michigan Association of School Boards  
Michigan Education Association  
Middle Cities Education Association  
Michigan Association of School Administrators  
Michigan Association of Intermediate School Administrators  
AFT Michigan  
Michigan Elementary and Middle School Principals Association  
Michigan Association of Secondary School Principals



RE: Opposition to House Bill 4645

Date: October 28, 2015



We write today in opposition to House Bill 4645 which would exempt the transfer of residential property from the “pop-up” tax if it is being transferred between and LLC and a party related to at least one member of the LLC. This bill would have an adverse effect on property tax collections at the local level.



Our concerns lie in the bigger picture. While these particular bills may only cause a small decrease local property taxes, when added to the many other policies passed in recent years, revenue streams to the School Aid Fund and local schools continue to be eroded.



Last session seven new laws were signed that totaled over \$160 million in cuts to SAF revenue. There were 13 other laws signed that each had an indeterminate negative affect on local property tax and School Aid Fund revenue.

This session, committees in the House have passed bills that cut at least \$46 million annually and six bills for which the negative effect is indeterminate (list attached).



We urge you to look very closely at this bill and similar ones and the collateral damage they have over time. Our schools will continue to see cuts if the School Aid Fund does not receive the revenue necessary to support our students and communities.



We urge you to oppose these bills until our local schools are held harmless by the cut proposed.

If you have any questions, please feel free to contact any of us in the education community listed.